



Office of the City Manager

Date: December 13, 2021
 To: Budget & Finance Policy Committee
 From: Dee Williams-Ridley, City Manager
 Submitted by: Rama Murty, Senior Management Analyst
 Subject: American Rescue Plan Act Update

INTRODUCTION

This report provides an update on the American Rescue Plan and how the funds are being spent in FY 2022 and programmed for FY 2023.

BACKGROUND

The City is receiving \$66.6 million in American Rescue Plan Act (“ARPA”) Funds. Through the use of ARPA Funds to cover General Fund revenue losses suffered in FY 2020 and FY 2021, the City was able to balance the FY 2022 General Fund budget.

The following chart provides an overview of the ARPA Funds and how they will be spent in FY 2022 and FY 2023:

	FY 2021	FY 2022	FY 2023
Beginning Fund Balance	0	\$33,323,145	\$20,345,935
Projected Revenues	\$33,323,145	\$33,323,145	0
Projected Expenditures	0	\$46,300,355	\$4,050,000
Ending Fund Balance	\$33,323,145	\$20,345,935	\$16,295,935

The FY 2022 Budget also uses American Rescue Plan Funds to address significant revenue losses to the Marina Fund, both the On-Street and Off-Street Parking Funds, Camps Fund, and the Gilman Sports Field Fund. The chart below demonstrates the ARPA Fund allocations for the provision of government services:

FUND	FY 2022	FY 2023
General Fund	\$22,969,355	TBD
Marina Fund	\$1,400,000	\$1,150,000
Parking Meter Fund	\$4,340,000	\$2,700,000
Off-Street Parking Fund	\$3,940,000	\$200,000
Camps Fund	\$1,000,000	0
Sports Field Fund	\$196,000	0
Total	\$33,880,355	\$4,050,000

Through September 2021, the City has transferred \$8,470,089 in ARPA funds to the funds listed above.

The ARPA Funds are also being used to support economic recovery and the COVID-19 response as shown in the following chart:

Program	FY 2022 Allocation
Emergency Operations Center	\$1,500,000
Programs Addressing Community Safety and Crisis Response (Specialized Care Unit)	\$8,000,000
Program to Support Arts in their Re-Opening	\$2,000,000
Visit Berkeley	\$500,000
Business Retention Program / Small Business Technical Assistance	\$100,000
#DiscoveredinBerkeley Campaign	\$50,000
"Berkeley Ventures Berkeley Values" Initiative	\$20,000
Funding for Health Equity & Innovation District Consultant	\$250,000

With the exception of the Emergency Operations Center program that spent \$1,583 in the first three months of FY 2022, none of the other projects have incurred any expenditures yet. The program to support the arts has just begun the application process and several others are beginning to start work.

An update on the American Rescue Plan programs and expenditures will be provided in the FY 2022 Mid-Year Report.

CONCLUSION

The City is fortunate to have received one-time resources from the federal government under ARPA. Without these resources, given the extent to which the City has been impacted by COVID-19, there is no doubt that additional deferrals and reserves would be needed to balance the FY 2022 budget.

City staff is looking forward to having further discussions with the Budget and Finance Policy Committee and City Council over how to best deploy the totality of ARPA Funds to ensure that the City can continue to provide a high level of services and emerge from the pandemic in a strong financial position.

ENVIRONMENTAL SUSTAINABILITY

There are no identifiable environmental effects or opportunities associated with receiving an update on the American Rescue Plan Act.

CONTACT PERSON

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